

CORRECTED FISCAL NOTE

SB 66 - HB 14

March 19, 2007

SUMMARY OF BILL: Establishes a tuition and fee freeze for students who are in the military reserves or National Guard and who are mobilized to active service. After reenrollment no increase in tuition or fees shall be assessed until a period of time equal to one year plus the combined length of all military mobilizations has elapsed, but in no event shall such student's tuition and fees be frozen for more than four years.

ESTIMATED FISCAL IMPACT:

On March 12, 2007, we issued a fiscal note indicating *an increase in state expenditures of \$49,800 for FY07-08 and \$103,500 for FY08-09*. Based on additional information from the University of Tennessee, the estimated fiscal impact of this bill is:

(CORRECTED)

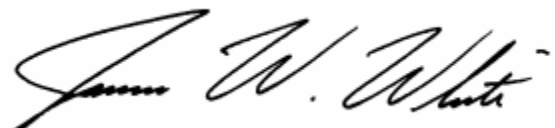
**Increase State Expenditures - \$ 8,300 FY07-08
\$17,200 FY08-09**

Assumptions:

- Lost revenues to higher education institutions would be replaced with state funds rather than higher tuition and fees.
- There are 43 students at Board of Regents institutions and 10 students at the University of Tennessee who have deployed and would be affected by this bill.
- Assuming the number of students remains the same from year to year, in the first year 53 students reenrolling in school after military service would receive the tuition freeze. In year two there would be 106 students receiving the tuition freeze.
- This estimate assumes a minimum one year deployment which would equal a two year tuition freeze.
- First year costs (FY07-08) are estimated to be \$8,300 (53 students).
- Second year costs (FY08-09) are estimated to be \$17,200 (106 students).
- Tuition is estimated to increase at a rate of 4% per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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